



Report to the Auburn City Council

Action Item 3
Agenda Item No.
City Manager's Approval <i>[Signature]</i>

To: Honorable Mayor and City Council Members
From: Andy Heath, Administrative Services Director
Date: March 14, 2011
Subject: Assignment of Auburn Airport Industrial Park Ground Lease from Arthur and Sonja Armstrong to the Arthur W. Armstrong Revocable Trust and the Armstrong Revocable Trust

The Issue

Shall the City Council consent to the assignment and assumption of a land lease from Arthur and Sonja Armstrong to Arthur W. Armstrong, trustee of the Arthur W. Armstrong Revocable Trust and Sonja C. Armstrong, trustee of the Armstrong Revocable Trust, and authorize the execution of all related documents?

Conclusions and Recommendations

By **RESOLUTION**, authorize the City Manager or his designee to:

- A. Approve the assignment and assumption of the land lease between the City of Auburn, Arthur and Sonja Armstrong, and Arthur W. Armstrong, trustee of the Arthur W. Armstrong Revocable Trust and Sonja C. Armstrong, trustee of the Armstrong Revocable Trust.
- B. Approve for recording by the Placer County Recorder's Office Memoranda of Lease for Arthur W. Armstrong, trustee of the Arthur W. Armstrong Revocable Trust and Sonja C. Armstrong, trustee of the Armstrong Revocable Trust.

Background

On December 15, 1997, the City Council approved the assignment of a 50-year land lease between the City of Auburn and Arthur and Sonja Armstrong. The land lease comprises 2.18 acres of real property (Lot 29) at the Auburn Airport.

Analysis

As a means to facilitate the assignment of the lease, both Arthur and Sonja Armstrong have requested the City's consent to assign the leasehold interest for premises to individual trusts held by both Arthur and Sonja Armstrong. In addition to the City's

approval of the lease assignment, staff recommends the City consent to the recording, by the Placer County Recorder's Office, of memoranda of lease for the affected parcel.

Alternatives Available to Council; Implications of Alternatives

1. Adopt a resolution authorizing the City Manager or his designee to approve the assignment and assumption of the lease from Arthur and Sonja Armstrong to their respective individually-held trusts.
2. Do not adopt a resolution and direct staff accordingly.

Fiscal Impact

None. The monthly lease amount of \$1,271.06 currently paid by Arthur and Sonja Armstrong will be assumed by the assignees to the lease.

Exhibit A – Assignment of Lease with Consent

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RESOLUTION NO. 11-

RESOLUTION APPROVING ASSIGNMENT OF AIRPORT INDUSTRIAL PARK
GROUND LEASE FROM ARTHUR AND SONJA ARMSTRONG TO THE ARTHUR W.
ARMSTRONG REVOCABLE TRUST AND THE ARMSTRONG REVOCABLE TRUST

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

That the City Council of the City of Auburn does hereby authorize the
City Manager or his designee to:

- A. Approve the assignment and assumption of the Land Lease between the
City of Auburn, Arthur and Sonja Armstrong, and Arthur W. Armstrong,
trustee of the Arthur W. Armstrong Revocable Trust and Sonja C.
Armstrong, trustee of the Armstrong Revocable Trust.
- B. Approve for recording by the Placer County Recorder's Office
Memoranda of Lease for the Arthur W. Armstrong Revocable Trust and
Sonja C. Armstrong, trustee of the Armstrong Revocable Trust.

DATED: March 14, 2011

William W. Kirby, MD, Mayor

ATTEST:

Joseph G. R. Labrie, City Clerk

I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby
certify that the foregoing resolution was duly passed at a regular meeting of
the City Council of the City of Auburn held on the 14th day of March 2011 by
the following vote on roll call:

Ayes:
Noes:
Absent:

Joseph G. R. Labrie, City Clerk

RECORDING REQUESTED)
 BY AND)
 WHEN RECORDED RETURN)
 TO:)
)
 Jackson M. Mason, Jr.)
 Law Offices of J.H. Mason, Jr.)
 897 Embarcadero Dr., #103)
 El Dorado Hills, CA 95762)

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

Documentary Transfer Tax \$ — 0 —

ASSIGNMENT OF LEASE WITH CONSENT
 (LOT 29, AUBURN AIRPORT INDUSTRIAL PARK)

This Assignment of Lease with Consent ("**Assignment**") dated as of _____, 2010 (the "**Effective Date**") is made and entered into for good and valuable consideration by and between Arthur and Sonja Armstrong ("**Assignor**") and Arthur W. Armstrong, trustee of The Arthur W. Armstrong Revocable Trust dated October 19, 2007, and Sonja C. Armstrong, trustee of The Armstrong Revocable Trust dated January 18, 2008 ("**Assignee**"), with reference to the following facts:

RECITALS

A. City of Auburn, a Municipal Corporation, as Lessor, and J.P. & Associates, Inc. as Lessee, executed an Auburn Airport Industrial Land Lease ("**Lease**") on June 24, 1996, and subsequently recorded the Lease as Instrument No. 96-0061903 with the County Recorder of Placer County, California. By the terms of the Lease the Leased Premises were leased to Assignor as Lessee for a term of fifty (50) years, commencing on June 24, 1996, and ending on June 24, 2046. The Leased Premises are described at Exhibit A and depicted on Exhibit B.

B. On December 15, 1997, J.P. & Associates, Inc. assigned all its right, title and interest to Exchange Solutions, Inc., a California Corporation.

C. On December 15, 1997, Exchange Solutions, Inc., assigned all its right, title and interest to Assignor.

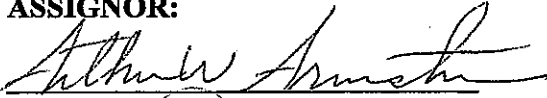
D. Assignor now desires to assign the Lease to Assignees, and Assignees desire to accept the assignment thereof.

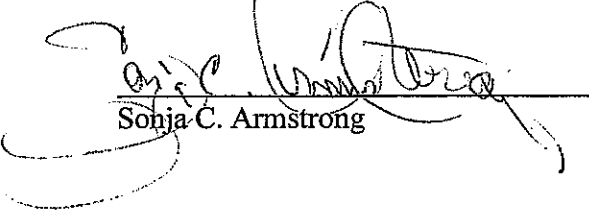
NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor, Assignee and City agree as follows:

1. Effectiveness. This Assignment shall be effective as of the Effective Date.
2. Assignment, Assumption and Consent. Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, all of Assignor's rights and obligations as the "Lessee" under the Lease with respect to the Leased Premises and the improvements constructed thereon. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and the City, to perform all of the obligations of the "Lessee" under Lease that relate to the Leased Premises and the improvements constructed thereon. The City hereby consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.
3. Assignee's Interests. Assignee hereby declares that The Arthur W. Armstrong Revocable Trust dated October 19, 2007 shall have a 69% ownership interest in the Lease, and The Armstrong Revocable Trust dated January 18, 2008 shall have a 31% ownership interest in the Lease.
4. Release of Assignor. The City hereby releases and discharges Assignor from any obligations of "Lessee" occurring on and after the Effective Date.
5. Recordation of Assignment. Assignee shall record at its expense this Assignment in the official records of Placer County.
6. Entire Agreement. This Assignment, together with the Lease is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Assignment. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.
7. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California without giving effect to its conflicts of law principles.
8. Third Party Beneficiaries. No third party shall have any rights under this Assignment.


9. Subject to Lease. This Assignment is subject to all the terms, conditions and provisions of the Lease.

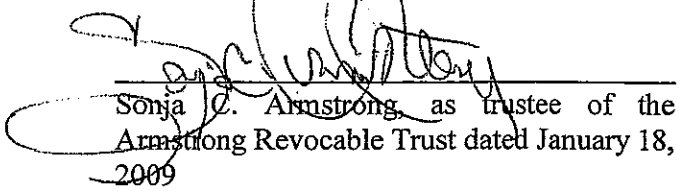
ASSIGNOR:


Arthur W. Armstrong


Sonja C. Armstrong

ASSIGNEE:


Arthur W. Armstrong, as trustee of the Arthur
W. Armstrong Revocable Trust dated
October 19, 2007


Sonja C. Armstrong, as trustee of the
Armstrong Revocable Trust dated January 18,
2009

CITY:

THE CITY OF AUBURN,
a municipal corporation

By: _____
Robert Richardson
City Manager

Attest:

Joseph J. R. LaBrie
City Clerk

Approved as to form:

Michael G. Colantuono
City Attorney

NOTARY ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF Placer)

On 1/21/2011 before me, Melissa A. Webber, Notary Public
personally appeared Arthur W. Armstrong who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within
instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized
capacity(~~ies~~), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Melissa A. Webber (Seal)
Notary's Signature



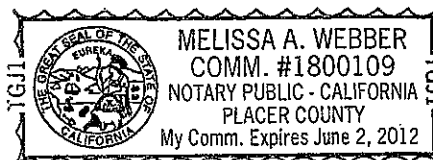
STATE OF CALIFORNIA)
) ss.
COUNTY OF Placer)

On 1/21/2011 before me, Melissa A. Webber, Notary Public
personally appeared Sonja C. Armstrong who proved to me on the
basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within
instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized
capacity(~~ies~~), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Melissa A. Webber (Seal)
Notary's Signature



LEGEND

- ✕ FOUND RAILROAD SPIKE
- 3/4" IRON PIN W/COPPER COLLAR STAMPED L.S. 4751
- ⊕ EXISTING SEWER MANHOLE

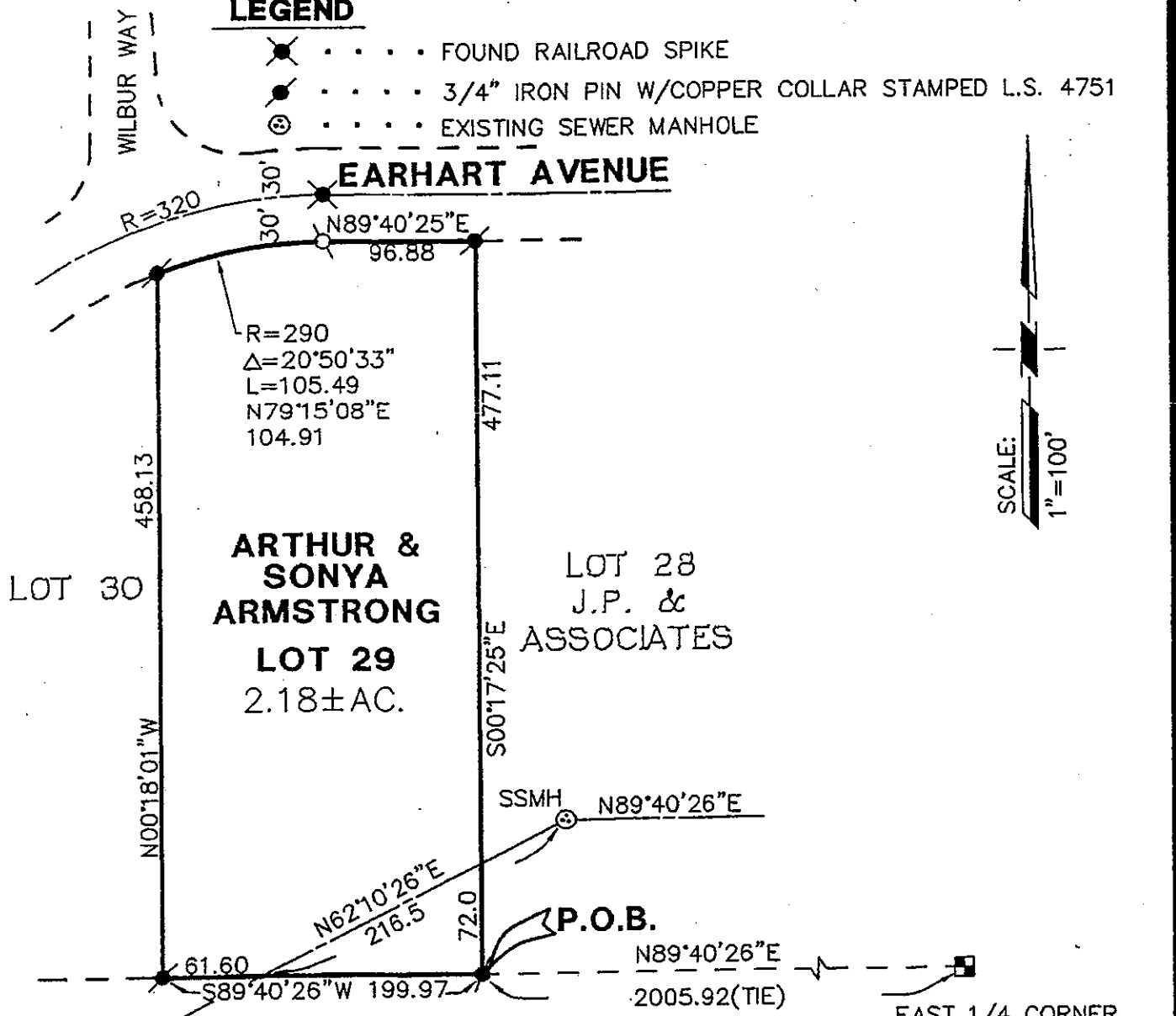


EXHIBIT 'B'

CITY OF AUBURN

LEASE AGREEMENT

TO ARTHUR & SONYA ARMSTRONG
SECTION 28, T.13 N., R.08 E., M.D.M.

CITY OF AUBURN

PLACER COUNTY CALIFORNIA

SCALE: 1"=100' OCTOBER 1997

ANDREGG, INC.

SURVEYING ENGINEERS

AUBURN, CALIFORNIA

(916) 885-7072



EAST 1/4 CORNER
SECTION 28
2" BRASS CAP
STAMPED: "L.S. 4412"

10173X28

October 14, 1997

EXHIBIT "A-1"
LEASE DESCRIPTION
CITY OF AUBURN TO ARTHUR AND SONYA ARMSTRONG

Resolution No. 97- 100

A portion of the tract of land described in the Grant Deed to the City of Auburn recorded in Volume 2373 at Page 582, Official Records of Placer County, being Lot 29 as shown and so designated on the Auburn Airport Record of Survey No. 1847 filed in Book 14 of Surveys at Page 66, Placer County Records, located in the Southwest one-quarter of the Northeast one-quarter of Section 28, Township 13 North, Range 08 East, M.D.M., City of Auburn, Placer County, California.

Beginning at a three-quarter inch diameter iron pin stamped "LS 4751" marking the Southeasterly corner of the above described Lot 29, and from said point a two inch diameter brass cap marking the East one-quarter corner of said Section 28 bears North 89°40'26" East for a distance of 2005.92 feet; thence from the point of beginning South 89°40'26" West along the Southerly line of said Lot 29 for a distance of 199.97 feet to the Southwesterly corner of Lot 29; thence North 00°18'01" West along the Westerly line of Lot 29 for a distance of 458.13 feet to the Northwesterly corner thereof; thence along the Northerly line of Lot 29 the following two (2) consecutive courses and distances: (1) along the arc of a non- tangent curve to the right, concave Southeasterly, having a radius of 290.00 feet, a central angle of 20°50'33", a length of 105.49 feet, and a chord bearing North 79°15'08" East for a distance of 104.91 feet; and (2) North 89°40'25" East for a distance of 96.88 feet to the Northeasterly corner of Lot 29; thence South 00°17'25" East along the Easterly line of Lot 29 for a distance of 477.11 feet to the point of beginning.

Containing 2.18 acres, more or less.

Containing 94,960.8 square feet, more or less.

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